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南戈壁資源有限公司*

(a company continued under the laws of British Columbia, Canada with limited liability)
(Stock Code: 1878)

Mongolia recognizes SouthGobi Resources' COO, Curt Church, with rare and highest award

HONG KONG – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) announced today that Mongolia has awarded Curt Church, COO, the award of Altan Gadas (Order of the Polar Star) “in recognition of his contribution to developing the mining sector in Mongolia and bi-lateral cooperation between Mongolia and Canada in the field of mining.”

Please see the attached announcement for more details.

By order of the Board
SouthGobi Resources Ltd.

Mr. Peter Graham Meredith
Chairman

Hong Kong, 25 August 2011

As of the date of this announcement, the executive Director is Mr. Alexander Alan Molyneux, the non-executive Directors are Mr. Peter Graham Meredith and Mr. John Anthony Macken and the independent non-executive Directors are Mr. Pierre Bruno Lebel, Mr. Robert William Hanson, Mr. Andre Henry Deepwell, Mr. Gordon Lancaster, Mr. Raymond Edward Flood Jr. and Mr. Robert Stuart Angus.

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This award is the highest award bestowed on foreign nationals by Mongolia and can only be issued by decree of the President. It has been generally awarded to outstanding Mongolian nationals since 1936. Alexander Molyneux, President and CEO, said “We are very proud of Curt who, with seven years experience in Mongolia, has now had his leadership and contribution formally recognized. This personal award reflects positively on the quality of all SouthGobi Resources people who have supported Curt's various contributions.”



Curt Church receiving Altan Gadas award from D. Battulga, Head of the Office of the President

About SouthGobi Resources

SouthGobi Resources is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.

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Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, plans to supply a wide range of coal products to markets in Asia; and other statements that are not historical facts. When used in this document, the words such as "plan," "estimate," "expect," "intend," "may," "likely" and similar expressions are forward-looking statements. Although SouthGobi believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" in SouthGobi's Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended Dec. 31, 2010 and quarter ended March 31, 2011 which is available at www.sedar.com.